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THE CENTRAL LEATHER CASE (Colgate and others vs. United States Leather Company and others—New Jersey Court of Errors and Appeals, March 1, 1909) has been decided. The United States Leather Company and the Central Leather Company are not permitted to merge. The Court passes over a number of questions and decides the case on the fundamental power of corporations to consolidate and merge. It holds that this power is not to be implied and exists only by virtue of plain legislative enactment, and that under the New Jersey act it is clear that corporations may consolidate only if they are organized for the purpose of carrying on business of the same or a similar nature. After comparing the charters of the two corporations, the Court decides that the primary object of the United States Leather Company is the manufacture and sale of leather, lumber and belting and that the other objects are but incidental, the statement of those objects in the charter being modified by the words "necessary or convenient" [to the primary objects]. On the other hand, the secondary objects in the Central Leather Company's charter, with the exception of two, cannot fairly be construed as limited to such as are incidental to the manufacturing of leather, lumber or belting. The Court points out that only two of the object clauses are modified by any words which show their limitation to the primary objects of the company. Therefore the Court holds that the articles of incorporation confer upon the Central Leather Company powers that are not at all within the letter or intendment of the charter of the United States Leather Company, and the majority in interest of the former company could at any time abandon the leather, lumber and belting business and embark its resources in any other kind of manufacturing or trading business, while the certificate of the United States Leather Company admits of no such extensive business. To merge the latter company with the former the Court decides "would constitute a substantial diversion of the assets of the United States Leather Company from the objects and purposes limited in its articles of association and a violation of the letter and spirit of the consolidation act" of New Jersey. The opinion goes on to state that there seems to be no reported decision in New Jersey upon the subject, and since the matter depends upon an interpretation of the statute law, cases decided in other jurisdictions are of little service. Chancellor Pitney delivered the opinion of the Court. A sapient decision, displaying a keen discernment of fine points and fundamental principles will distinguish this case.

THE SHARE OF STOCK AND THE DOLLAR SIGN have long been considered as inseparable companions. For this reason the suggestion that not only can the dollar sign be removed, but that such separation would inure greatly to the public good, will arouse no

small amount of interest in legal and financial circles. We mentioned in our February *Journal* the fact that a Special Committee of the New York State Bar Association had recommended an amendment to the Business Corporations Law of that state providing for a new class of corporations, authorized to issue capital stock divided into shares without nominal or par value. This recommendation demands respectful attention, if for no other reason than the high standing of the members of the committee that made it, Messrs. Francis Lynde Stetson, Edward M. Shepard and Victor Morawetz. Through the courtesy of Mr. Stetson we are able to present a copy of the report in the Supplement to this number of the *Journal*.

The proposition to erase the dollar mark from shares of stock is by no means a new one. As far back as 1892 it was reported favorably to the Bar Association of New York by a committee of which Mr. Stetson was a member, but no further action was taken at that time. In 1899 Mr. Stetson presented testimony on the subject before the Congressional Industrial Commission, in which the statement was made that the proposition, though somewhat radical, was not entirely novel, as it embodied a principle adopted in corporation laws in Germany. In 1906 Mr. Shepard ably discussed and supported the proposition before the New Hampshire Bar Association and has often spoken on the subject before the legal fraternity throughout the country.

The bill proposed by the committee was introduced in the New York Assembly on February 19th, by Mr. J. S. Phillips, Chairman of the Assembly Judiciary Committee. The draft of the bill is not presented herein, but will be printed in full on these pages as soon as it becomes a law.

THE ANTI-TRUST LAW OF ARKANSAS has been held valid and constitutional by the United States Supreme Court (Hammond Packing Co. vs. The State of Arkansas, decided February 23, 1909). The Court holds that the State has the power to exclude a corporation from doing business within its borders because of entering into any trust or combination, whether in the State or outside the State, and that although it be conceded that the statute in question is unconstitutional as applied to individuals, it does not cause the act to amount to a denial of the equal protection of the laws, as the difference between the extent of the power which the State may exert over the doing of business in the State by individuals and by corporations, furnishes a distinction authorizing a classification between the two. It is held that the anti-trust act does not discriminate between domestic and foreign corporations, but applies with equal force to both, and that it cannot be held to impair the obligations of the contract which was created by the permit which was issued to the company to do business in Arkansas, under the provisions of the Constitution and laws of that State.

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